



OPASTCO

21 Dupont Circle
NW
Suite 700
Washington, DC 20036

December 11, 2007

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street SW
Washington, DC 20554

***Ex Parte* Notice**

**Re: High-Cost Universal Service Support
WC Docket No. 05-337**

**Federal-State Joint Board on Universal Service
CC Docket No. 96-45**

**Universal Service Contribution Methodology
WC Docket No. 06-122**

**Developing a Unified Intercarrier Compensation Regime
CC Docket No. 01-92**

Dear Ms. Dortch,

On December 11, 2007, Roger Nishi of Waitsfield and Champlain Valley Telecom in Waitsfield, VT, Keith Oliver of Home Telephone Company, Inc. in Moncks Corner, SC, and John Rose and Stuart Polikoff of the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) met with John Hunter, Chief of Staff and Senior Legal Advisor to Commissioner Robert McDowell. During the meeting, we discussed OPASTCO's views on a variety of issues concerning universal service and intercarrier compensation reform.

We indicated our support for adoption of the Universal Service Joint Board's recommendation for an interim cap on the high-cost support received by competitive eligible telecommunications carriers (CETCs). An interim cap on CETC support is the most logical and equitable way to prevent the High-Cost program from growing to an unsustainable level while the FCC contemplates long term reforms.

We also indicated our support for fundamental reform of the Universal Service Fund (USF) contribution methodology. OPASTCO is supportive of a contribution methodology based, in part, on network connections and/or working telephone numbers. However, to sustain the Fund for the long term, it will also be necessary to assess all broadband Internet access providers over all platforms. As broadband connections continue to grow at a rapid pace, assessing these providers is the best way to significantly widen the contribution base.

Finally, we reiterated our support for the adoption of the Missoula Plan for Intercarrier Compensation Reform. However, if comprehensive intercarrier compensation reform is not realistic in the near term, the Commission should move forward with certain pieces that are important to rural incumbent local exchange carriers (ILECs) and their customers. In particular, the Commission should adopt the Missoula Plan's interim proposal for addressing phantom traffic. Phantom traffic has become a significant problem for rural ILECs in recent years and it requires immediate FCC action to sustain the existing intercarrier compensation system, pending more comprehensive reform. The FCC should also enable rural rate-of-return (RoR) regulated ILECs to unify their intra- and interstate access rates by establishing a non-portable "Restructure Mechanism." This would provide rural RoR carriers with greater revenue stability going forward, which would encourage continued investment in rural infrastructure, including broadband.

In accordance with FCC rules, this letter is being filed electronically in the above-captioned dockets.

Sincerely,

Stuart Polikoff
Director of Government Relations
OPASTCO